



News Release

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CC PROVISIONALLY CLEARS HAMPDEN/CBS MERGER

The Competition Commission (CC) has provisionally cleared the acquisition by Hampden Agencies Ltd (HAL) of the members' agency business of CBS Private Capital Limited (CBSPC).

In its provisional findings report, a summary of which is published today on the CC website www.competition-commission.org.uk, the CC has provisionally concluded that the acquisition is not expected to result in a substantial lessening of competition in relation to the supply of members' agency services to members of Lloyd's in the UK.

Prior to the acquisition, both HAL and CBSPC provided members' agency services to members of Lloyd's. Members' agents provide advice to members in relation to their underwriting activity, which includes analysis on syndicate participation and monitoring of syndicate performance.

Group Chairman Robert Turgoose said:

Competition between CBSPC and HAL was limited prior to the merger, customers did not switch between providers in large numbers nor are they particularly price sensitive. There is also a remaining presence of another competitor, Argenta.

We also realize that CBSPC's parent company was under significant pressure to sell the members' agency business of CBSPC, and that the number of individual members at Lloyd's, who are the customers for these services, has fallen significantly over recent years, so a reduction in the number of providers was likely irrespective of this merger.

Taking into account these factors, we have provisionally concluded that this merger will not substantially lessen competition or damage the interests of customers.

The full provisional findings report will be published on the CC website by 3 November 2006. Anyone wishing to comment on the provisional findings report is requested to do so by 16 November 2006 by email to anne.jolly@cc.gsi.gov.uk or in writing to:

Anne Jolly
Inquiry Secretary (HAL/CBS Inquiry)
Victoria House
Southampton Row
London WC1B 4AD

The CC is required to publish its final report by December 28 2006.

Notes for editors

1. The Enterprise Act 2002 empowers the OFT to refer to the CC completed or proposed mergers for investigation and report which create or enhance a 25 per cent share of supply in the UK (or a substantial part thereof) or where the UK turnover associated with the enterprise being acquired is over £70 million.
2. The HAL/CBS Inquiry Group consists of four members: Robert Turgoose (Group Chairman), Laura Carstensen, Jill Hill and Professor Mahendra Raj.
3. The inquiry was referred to the CC on the 14 July 2006. The CC has a 24-week period in which it is required to publish its report, which may be extended by no more than eight weeks if it considers that there are special reasons why the report cannot be published within that period.
4. Further information on the CC and its procedures, including its policy on the provision of information and the disclosure of evidence, can be obtained from its website at: www.competition-commission.org.uk.
5. Enquiries should be directed to Rory Taylor on 020 7271 0242 (email rory.taylor@cc.gsi.gov.uk).